

# What Influence the Business Success of Micro Small & Medium Enterprises: Analysis from Rural and Urban Assam

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## Abstract:

This study strives to know if the factors influencing business success are uniform across all the three categories of MSMEs; identical for male and female entrepreneurs and universal in rural and urban areas. Based on 320 registered MSMEs from two districts of Assam, the study uses two criterions for defining a small business as successful: minimum five years survival as on 31<sup>st</sup> March 2018 and revenue greater than cost. The study recognises 16 factors that influence the success which are grouped into three categories: MSME characteristics; entrepreneur characterises and business characteristics. The findings identifies two sets of factors influencing the success, first, the vital factors (VFs) which are quintessential for performance and success and the critical factors (CFs) which are desired for the survival of an enterprise. These are found to be considerably different across the different sized MSMEs; male and female entrepreneurs and differ in rural and urban area.

**Keywords:** Business Success, Business Performance, Entrepreneurs, MSMEs, Vital Factors, Critical Factors.

## Introduction

In a developing economy like India, MSMEs have been well identified as engines of economic growth. MSMEs ensure the socialistic principles of income equality, rural industrialization, employment, self-employment or

entrepreneurship, poverty alleviation and regional development (Barik and Tripathy, 2022). They act as ancillary units to the larger enterprises, facilitate forward and backward integration for sustainable development and are the “miniature versions” of large

enterprises, apart from contributing in the national income. Considering the huge potentialities of MSMEs the Government of India have been profusely endorsing the MSME sector. Amidst the Covid19 pandemic special economic packages were even announced to relieve the MSME entrepreneurs. The relative flexibility of the MSMEs over larger enterprises be it in terms of size holding, low capital and skill requirement, easy entry and exit or hierarchical structure have attracted many individuals towards it. Consequently, the numbers of MSMEs are increasing but many cannot sustain and survive the business world and eventually goes out of business. This leads to a situation of enterprise churn. It becomes imperative to know how and why some MSMEs are successful while others fade away. This requires knowing what influences business success and recommending those influences to the entrepreneurs, policy framers and other stakeholders. With this backdrop the present study is an attempt to know the factors influencing business success for MSMEs in a developing economy. The study further envisages knowing if the factors influencing business success are uniform across all the three categories of MSMEs; uniform for both male and female entrepreneurs and uniform in rural and urban area.

The available literatures and management theories explaining the dynamics of how large enterprises achieve success cannot be applied to the MSMEs as they both have very different characteristics. The existing literatures

largely focus on the factors of business failure and very few pays attention to the success factors of an enterprise. Majority of the success studies centers on the MSMEs or SMEs (Small and Medium Enterprises) of America and other developed economies. Moreover, the same set of success factors may vary across countries and continents depending upon the economic status. The success factors also differ depending upon the size, age, management profile and the industry sector of the MSMEs. There is absolute dearth of literatures dealing on the success factors of MSMEs in developing regions like India and Assam. Literatures explaining the business failures although provide some helpful insights yet they rarely divulge the process and mechanism by which different factors influence the success of an enterprise. Of the wide range of factors affecting the operations and development of the enterprise it becomes difficult for the entrepreneur to identify the vital factors for the success of the business. This study is first of its kinds in undertaking an investigation on the factors influencing business success for the region of Assam and India. The study intends to suggest the vital factors (VFs) which are quintessential for business performance and success and the critical factors (CFs) which are desired for the survival of an enterprise.

### **Literature Review & Theoretical Framework**

Success and failure are the two sides of the same coin. Success is the primary stimulus for continuing a business. But business success has no universally

accepted definition, no universally accepted scale of measurement and nor what influences business success. Studies hold that if the success factors are employed to a flourishing business, it should amplify the enterprise's performance and success. Literatures explain business success from the standpoint of financial or quantitative factors like sales/turnover, profitability, Return on Investment (ROI). While some other studies defines successful enterprises as surviving a longer period. Studies have identified abundant factors that influence the business success, like:

- a. General business environment of internal (internal to the enterprise) and external (governmental, political, etc.) environmental factors.
- b. Managerial skills and an efficient management team.
- c. Qualitative or non-financial measures (business experience and knowledge; quality products/services; development of new products).
- d. Characteristics of the enterprise (location; size; simplicity in operations; produce a limited variety of goods; sell to lesser consumers and have lesser suppliers; decentralized hierarchical organizational structure; faster and simpler processes).
- e. Technical know-how.
- f. Way of doing business
- g. ICT (Information and Communication Technologies) and Internet.
- h. Family support and prior work experience.
- i. Cordial customer relation/service.

- j. Entrepreneur's personal traits (starting age; confidence; innovation; education; etc.).
- k. Efficient sales and marketing strategy/team.
- l. Risk-taking quotient.

From the literatures, the present study identifies 16 factors grouped under three broad categories that are deemed to influence the business success of any MSME. The rationale for segregating these factors into three broad categories is that, all of the factors represent unique and different aspect of the enterprise, entrepreneur and the business set-up. These cannot be compared under one big umbrella. As such the factors are:

- a. MSME Characteristics- It includes three factors of enterprise's location, size and origin (proprietorship, sole-proprietorship, etc.).
- b. Entrepreneur Characteristics- It encompasses seven personality traits of the entrepreneur like starting age, educational qualification, risk-taking quotient, confidence level, family support, duration of apprenticeship and innovation and management skills.
- c. Business Characteristics- It comprises of six common business characteristics like quality of product/service, customer relation, ICT and internet, external environment, availability of resources and way of doing business.

### **Methodology & Research Question**

Based on the developing region of Assam, the study selects two districts

viz., Kamrup-Metropolitan and Kamrup-Rural for primary data. The study is qualitative in nature. Incorporating urban and rural area respectively would reflect a better composition and comparative analysis. The study assumes two inter-related criterion for defining small-business as successful. First, an enterprise needs a minimum survival of five years as on 31<sup>st</sup> March, 2018. Secondly, quantitative measure (financial) of revenue greater than cost ( $AR > AC$ ) or increase in entrepreneur's net annual income from the enterprise.

### Data Collection

MSMEs registered with the District Industries Centre (DIC) forms the primary data sources. Secondary data are also consulted. Yamane's formula fixes the sample size (N) as 320 enterprises comprising of both male and female owned registered MSMEs. The study focuses on 12 common entrepreneurial activities of the region in general and certain gender specific activities in particular. The 12 activities are according to A Standard Industrial Commodity Classification (ASICC) 2000 and National Industrial Classification (NIC) 2008 for the MSMEs. Primary data was collected by canvassing a schedule during 2018-2019. The study assumes the connotation for small businesses or MSMEs as defined by the MSMED (Micro, Small and Medium Enterprise Development) Act 2006-2007, Government of India.

### Sampling Design

From the 12 activities based on our success criterions, 320 MSMEs are

randomly chosen from the study areas. Of these 320 MSMEs, 220 are from Kamrup-Metropolitan as it contains more enterprises satisfying our criterions while 100 from Kamrup-Rural. Now by applying purposive sampling of entrepreneur's gender we have further segregated the 220 Kamrup-Metropolitan enterprises as 106 female and 114 as male whereas 46 male and 54 female from Kamrup-Rural. Furthermore, the 114 male-owned MSMEs of Kamrup-Metropolitan are divided as 75 micro, 35 small and 4 medium units based on our success criterions and presence of the entrepreneurial activities while 106 female-owned enterprises as 94 micro and 12 small units. In Kamrup-Rural the 54 female-owned MSMEs consisted of 46 micro and 8 small enterprises as against 46 male units divided as 25 micro, 20 small and 1 medium unit. Medium-sized female-owned MSMEs fulfilling our criterions cease to exist. Compiling the individual frequencies we get an equal representation of 160 male and female entrepreneurs each.

### Statistical Tools

The study is based on 5-point Likert scale. The Likert scale was assigned weights (Extremely Important +2; Important +1; Normal 0; Less Important -1; Not Important at all -2) and the score (SC) was calculated [ $F * W$ , F=factor & W=assigned weights] for each factor that influences the business success. The score (SC) hence derived was used to compute the Co-efficient (SC/N). Based on the highest Co-efficient value, ranks are allotted to the factors. The ranks

are further used to identify and denote the VFs and the CFs. VFs comprises of the factors that are ranked first position while CFs are the factors ranked second and onwards. Descriptive statistics were also used.

**Research Question**

For the purpose of the study the following research questions have been formulated:

Q<sub>1</sub>: Are the factors influencing the business success tends to be same for all the three categories of enterprises viz., micro, small and medium enterprises?

Q<sub>2</sub>: Does male and female entrepreneurs have the same set of factors influencing their business success?

Q<sub>3</sub>: Are both the study areas inclined towards the same factors influencing the business success?

**Results & Discussion**

Table 1 depicts the 12 MSME entrepreneurial activities in the study areas. Of the 320 enterprises majority (75 percent) are micro followed by small (23.4 percent) and medium (1.6 percent).

**Table 1: MSME Entrepreneurial Activities**

(Figures in Number)

Activities	Kamrup-Rural			Kamrup-Metropolitan			Total MSMEs
	Micro	Small	Medium	Micro	Small	Medium	
Food Processing	7 (2.2)	5 (1.6)	1 (0.3)	11 (3.4)	7 (2.2)	0	31 (9.7)
Traditional Jewellery	6 (1.9)	3 (0.9)	0	18 (5.6)	5 (1.6)	0	32 (10)
Printing	2 (0.6)	1 (0.3)	0	6 (1.9)	5 (1.6)	0	14 (4.4)
Hotel & Catering	1 (0.3)	1 (0.3)	0	2 (0.6)	2 (0.6)	0	6 (1.9)
Furniture & Fabrication	12 (3.8)	4 (1.3)	0	33 (10.3)	6 (1.9)	0	55 (17.2)
Transport & Logistic	2 (0.6)	1 (0.3)	0	3 (0.9)	5 (1.6)	0	11 (3.4)
Plastic Based	3 (0.9)	2 (0.6)	0	11 (3.4)	4 (1.3)	2 (0.6)	22 (6.9)
Civil Engineering	3 (0.9)	1 (0.3)	0	8 (2.5)	2 (0.6)	1 (0.3)	15 (4.7)
Tailoring & Weaving	13 (4.1)	5 (1.6)	0	26 (8.1)	5 (1.6)	0	49 (15.3)
Consultancy Services	0	1 (0.3)	0	3 (0.9)	4 (1.3)	0	8 (2.5)

Miscellaneous Manufactured Items	10 (3.1)	4 (1.3)	0	20 (6.3)	2 (0.6)	1 (0.3)	37 (11.6)
Beauty & Wellness salons	12 (3.8)	0	0	28 (8.8)	0	0	40 (12.5)
<b>Total MSMEs</b>	<b>71 (22.2)</b>	<b>28 (8.8)</b>	<b>1 (0.3)</b>	<b>169 (52.8)</b>	<b>47 (14.7)</b>	<b>4 (1.3)</b>	<b>320 (100.0)</b>

Source: Primary Data

Note: Figures in Parenthesis denotes Percentage

Furniture & fabrication has the highest entrepreneurs (17.2percent) whereas consultancy has the least (2.5percent). Higher number of micro enterprises (75percent) clearly states that the micro entrepreneurs of our survey have constraints to resources for which they do not prefer small and medium sized enterprises. The higher skill based activities (consultancy, civil engineering, transport & logistic) have relatively lesser entrepreneurs. This indicates that the respondents are inclined towards less skill and more labour-intensive activities.

#### *Research Question (Q<sub>1</sub>)*

For the 240 micro enterprises location, entrepreneur's stating age and quality

holds the first ranks (Table 2). Location where the enterprise is located and if it is readily accessible, draws customers to it. Quality of the product/service is vital for attracting consumers. Maintaining a persistent quality will draw new customers and retain the existing repeat customers. Of the entrepreneur characteristics, entrepreneur's age tops the list indicating that for achieving success entrepreneur's age at which he/she started the enterprise is the most crucial among all other characteristics of the entrepreneur. Starting early will provide the benefit to the entrepreneur to be long associated with the enterprise and understand the complexities of business.

**Table 2: Ranks of Factors Influencing Business Success for Micro Enterprises**

Factors	Extremely Important	Important	Normal	Less Important	Not Important at all	Score (SC)	Co-efficient	Rank
<b>MSME Characteristics</b>								
Size of the MSME	92	80	31	23	14	213	0.67	2
Location of the MSME	110	80	26	13	11	265	0.83	1

Origin of the MSME	11	23	36	60	110	-235	-0.73	3
<b>Entrepreneur Characteristics</b>								
Entrepreneur's Age	110	80	26	13	11	265	0.83	1
Entrepreneur's Education	23	30	47	60	80	-144	-0.45	6
Family Support	70	60	50	37	23	117	0.37	5
Risk-taking Quotient	80	77	47	25	11	190	0.59	3
Innovation & Management Skills	100	76	50	8	6	256	0.80	2
Duration of Apprenticeship	77	61	44	34	24	133	0.42	4
Confidence of Entrepreneur	21	31	41	56	91	-165	-0.52	7
<b>Business Characteristics</b>								
Way of Doing Business	80	77	47	25	11	190	0.59	4
Availability of Resources	93	81	31	23	12	220	0.69	3
Customer Relation	100	80	40	12	8	252	0.79	2
Quality	120	100	20	0	0	340	1.06	1
ICT & Internet	24	34	41	60	81	-140	-0.44	6
External Environment	77	61	44	34	24	133	0.42	5

Source: Primary Data

Therefore, for micro enterprises location, age and quality forms the vital factors (VFs) which are quintessential for business performance and success while the remaining factors forms the critical factors (CFs) which are desired for the survival of an enterprise.

For the 75 small enterprises, innovation and management skills, availability of resources and enterprise's location are the vital factors and the remaining

factors like size, education, quality, etc., are the critical factors (Table 3). Innovating products/service, pricing, selling, marketing and advertising all involves innovation coupled with the management skills of the entrepreneur. Availability of resources at right prices like capital (working, fixed), raw materials, skilled labour, etc., also significantly influence the production process and the business success.

**Table 3: Ranks of Factors Influencing Business Success for Small Enterprises**

Factors	Extremely Important	Important	Normal	Less Important	Not Important at all	Score (SC)	Co-efficient	Rank
<b>MSME Characteristics</b>								
Size of the MSME	5	8	10	21	31	-65	-0.20	3
Location of the MSME	33	20	15	7	0	79	0.25	1
Origin of the MSME	23	11	20	18	3	33	0.10	2
<b>Entrepreneur Characteristics</b>								
Entrepreneur's Age	23	19	16	10	7	41	0.13	3
Entrepreneur's Education	21	13	17	15	9	22	0.07	4
Family Support	17	13	18	15	12	8	0.03	5
Risk-taking Quotient	30	21	11	8	5	63	0.20	2
Innovation & Management Skills	38	23	6	5	3	88	0.28	1
Duration of Apprenticeship	18	11	9	23	14	-4	-0.01	6
Confidence of Entrepreneur	13	8	6	23	25	-39	-0.12	7
<b>Business Characteristics</b>								
Way of Doing Business	30	21	11	8	5	63	0.20	3
Availability of Resources	38	23	6	5	3	88	0.28	1
Customer Relation	22	19	15	11	8	36	0.11	4
Quality	33	20	15	7	0	79	0.25	2
ICT & Internet	25	16	8	16	10	30	0.09	6
External Environment	23	11	20	18	3	33	0.10	5

Source: Primary Data

For the 5 medium enterprises, enterprise's size, entrepreneur's risk-taking quotient and the way an entrepreneur carries his business seems to influence most (Table

4). Whether, an enterprise is smaller or bigger in size will impact its business capacities like production, spending, loan mortgage, etc., affecting the overall

success. Risk-taking quotient has been long identified in literature by Hawley’s of earning “profits” by the entrepreneurs. Way of doing business connotes how the entrepreneur performs and undertakes

his business which involves taking stringent business decisions. As such these are the vital factors while the rest are critical factors for business survival and success.

**Table 4: Ranks of Factors Influencing Business Success for Medium Enterprises**

Factors	Extremely Important	Important	Normal	Less Important	Not Important at all	Score (SC)	Co-efficient	Rank
<b>MSME Characteristics</b>								
Size of the MSME	3	2	0	0	0	8	0.03	1
Location of the MSME	1	1	0	1	2	-2	-0.01	3
Origin of the MSME	2	1	2	0	0	5	0.02	2
<b>Entrepreneur Characteristics</b>								
Entrepreneur’s Age	0	1	0	2	2	-5	-0.02	6
Entrepreneur’s Education	2	2		1	0	5	0.02	2
Family Support	0	0		2	3	-8	-0.03	7
Risk-taking Quotient	3	2		0	0	8	0.03	1
Innovation & Management Skills	2	1		1	1	2	0.01	3
Duration of Apprenticeship	1	1		1	2	-2	-0.01	4.5
Confidence of Entrepreneur	0	2		1	2	-3	-0.01	4.5
<b>Business Characteristics</b>								
Way of Doing Business	3	2	0	0	0	8	0.03	1
Availability of Resources	1	1		1	2	-2	-0.01	5
Customer Relation	2	2		1	0	5	0.02	2
Quality	2	1		1	1	2	0.01	3.5
ICT & Internet	0	1		2	2	-5	-0.02	6
External Environment	2	1		1	1	2	0.01	3.5

Source: Primary Data

The findings of table 2, 3 and 4 suggest that the factors influencing business success for the micro, small and medium sized enterprises are different. Being different in size would obviously differ their characteristics and business functioning. The VFs and CFs are also substantially different. Thus, for the research question  $Q_1$  we can state that the factors influencing the business success tends to be different for all the three categories of enterprises.

### Research Question ( $Q_2$ )

The 160 male entrepreneurs unequivocally responded that size of their enterprise, their starting age and the quality of their product/service influences the most for achieving business success (Table 5). These three factors constitute the VFs for the male entrepreneurs while the remaining ones are CFs. Other factors like location, innovation, external environment, etc., matters but not compared to the VFs.

**Table 5: Ranks of Factors Influencing Business Success for Male Entrepreneurs**

Factors	Extremely Important	Important	Normal	Less Important	Not Important at all	Score (SC)	Co-efficient	Rank
<b>MSME Characteristics</b>								
Size of the MSME	62	35	26	21	16	106	0.33	1
Location of the MSME	24	60	28	37	11	49	0.15	2
Origin of the MSME	31	26	60	29	14	31	0.10	3
<b>Entrepreneur Characteristics</b>								
Entrepreneur's Age	76	41	34	9	0	184	0.58	1
Entrepreneur's Education	31	26	60	29	14	31	0.10	7
Family Support	62	35	26	21	16	106	0.33	4
Risk-taking Quotient	50	37	47	14	12	99	0.31	5
Innovation & Management Skills	68	48	34	10	0	174	0.54	2
Duration of Apprenticeship	61	45	34	15	5	142	0.44	3
Confidence of Entrepreneur	23	50	57	19	11	55	0.17	6
<b>Business Characteristics</b>								
Way of Doing Business	81	41	32	6	0	197	0.62	2

Availability of Resources	61	45	34	15	5	142	0.44	5
Customer Relation	68	48	34	10	0	174	0.54	4
Quality	77	61	22	0		215	0.67	1
ICT & Internet	28	31	70	17	14	42	0.13	6
External Environment	76	41	34	9	0	184	0.58	3

Source: Primary Data

For the 160 female MSME entrepreneurs, location where their enterprise is situated, their family support and customer relation occupies the pivotal place in influencing the business success (Table 6). A prominent business location easily draws customers rather than a remotely located inaccessible one. Moreover, for the females the support they receive from their families in their decision to start or continue a business is extremely crucial. It is needless to say that the societal norms have demarcated the career options for the females. For females, diving into entrepreneurship is not much preferred in traditional orthodox Indian societies and in the rural belts. As such the traditional Indian society visualises women as a caretaker of the family latent with the household drudgeries rather than the bread earner. Entrepreneurship is highly stereotyped as a masculine endeavour and even certain entrepreneurial activities are also stereotyped as masculine ventures. In our survey, beauty and wellness had been strictly opted by females while furniture & fabrication, logistics, civil engineering and consultancy by only males. For the female entrepreneurs striking a right balance between her

personal and professional life becomes a momentous task. Sometimes females are also seen to withdraw themselves from active entrepreneurial activities owing to a disequilibrium in the balance. Furthermore, marriage is another significant component in the Indian society and more so for the females. The outlook of the family towards entrepreneurship post marriage and child birth influences the decision to start an enterprise or continue entrepreneurship. Being a female itself involves managing the household drudgeries and other errands and if it is combined with entrepreneurial activities it turns out to be all the more arduous. A good customer relation on the other hand is imperative for the growth of a business. According to the females, other factors can be adjusted or groomed but lack of customers will eventually kill the business. Attracting new customers and retaining the old ones should be the prime agenda of any business. Customers also act as a means of free advertisement in the form of word-a-mouth. Females of our survey mentioned that during their early business days when they could not afford exuberant advertisements,

word-a-mouth was their only medium of advertising. As such for the females, location, family support and customer relation inhabits the VFs and the rest factors are CFs for business success.

**Table 6: Ranks of Factors Influencing Business Success for Female Entrepreneurs**

Factors	Extremely Important	Important	Normal	Less Important	Not Important at all	Score (SC)	Co-efficient	Rank
<b>MSME Characteristics</b>								
Size of the MSME	23	66	24	41	6	59	0.18	2
Location of the MSME	70	48	21	16	5	162	0.51	1
Origin of the MSME	33	20	55	31	21	13	0.04	3
<b>Entrepreneur Characteristics</b>								
Entrepreneur's Age	70	48	21	16	5	162	0.51	3
Entrepreneur's Education	33	20	55	31	21	13	0.04	7
Family Support	80	38	30	10	2	184	0.58	1
Risk-taking Quotient	70	38	45	7	0	171	0.53	2
Innovation & Management Skills	60	32	45	16	7	122	0.38	5
Duration of Apprenticeship	54	51	40	12	3	141	0.44	4
Confidence of Entrepreneur	21	41	70	15	13	42	0.13	6
<b>Business Characteristics</b>								
Way of Doing Business	61	45	34	15	5	142	0.44	4
Availability of Resources	70	48	21	16	5	162	0.51	3
Customer Relation	77	61	22	0	0	215	0.67	1
Quality	68	48	34	10	0	174	0.54	2
ICT & Internet	50	37	47	14	12	99	0.31	6
External Environment	62	35	26	21	16	106	0.33	5

Source: Primary Data

Hence, for the research question  $Q_2$  we can testify from the results of table 5 and 6 that the factors influencing the business success of male and female MSME entrepreneurs are extensively different.

### Research Question (Q<sub>3</sub>)

In Kamrup-Metropolitan enterprise's size, entrepreneur's risk-taking quotient and external environment occupies the first ranks signifying that they exert supreme influence on the business success (Table 7). These three factors form the VFs and the remaining ones are CFs. External environment comprises

the tax structure, ease of doing business and a general healthy environment for business. Businesses cannot flourish in situations of excessive taxation and licensing, communal riots, strikes, lockdowns, corruption of government officials, recession or bad economic conditions.

**Table 7: Ranks of Factors Influencing Business Success in Kamrup-Metropolitan**

Factors	Extremely Important	Important	Normal	Less Important	Not Important at all	Score (SC)	Co-efficient	Rank
<b>MSME Characteristics</b>								
Size of the MSME	71	50	45	31	23	115	0.36	1
Location of the MSME	67	46	23	50	34	62	0.19	2
Origin of the MSME	31	23	51	47	71	-104	-0.33	3
<b>Entrepreneur Characteristics</b>								
Entrepreneur's Age	87	50	37	16	30	148	0.46	2
Entrepreneur's Education	41	49	70	25	35	36	0.11	7
Family Support	41	70	49	35	25	67	0.21	4
Risk-taking Quotient	87	50	37	30	16	162	0.51	1
Innovation & Management Skills	70	41	49	35	25	96	0.30	3
Duration of Apprenticeship	67	40	31	39	43	49	0.15	6
Confidence of Entrepreneur	41	70	49	25	35	57	0.18	5
<b>Business Characteristics</b>								
Way of Doing Business	44	68	49	35	25	71	0.22	5
Availability of Resources	77	55	30	30	28	123	0.38	4
Customer Relation	87	50	37	16	30	148	0.46	2
Quality	80	50	37	37	16	141	0.44	3
ICT & Internet	61	40	26	30	43	46	0.14	6
External Environment	87	50	37	30	16	162	0.51	1

Source: Primary Data

On the other hand, in Kamrup-Rural entrepreneurs have ranked location, entrepreneur's innovation and management skills and availability of resources as the utmost influencer on business success (Table 8). Entrepreneurs were of the opinion that being located in the rural area, they can understand the worth of locating in a prominent business place. Nearly 60percent of rural entrepreneurs wanted to shift their business to nearby urban

and prominent commercial locations, but the rent of such establishments in thriving locations does not allow them to shift. Being remotely located also hampers the accessibility to resources. It further increases the labour cost to the entrepreneurs and transportation costs. The VFs for Rural entrepreneurs happens to be location, innovation and management skills and availability of resources.

**Table 8: Ranks of Factors Influencing Business Success in Kamrup-Rural**

Factors	Extremely Important	Important	Normal	Less Important	Not Important at all	Score (SC)	Co-efficient	Rank
<b>MSME Characteristics</b>								
Size of the MSME	40	30	10	8	12	78	0.24	2
Location of the MSME	50	27	10	8	5	109	0.34	1
Origin of the MSME	7	11	18	26	38	-77	-0.24	3
<b>Entrepreneur Characteristics</b>								
Entrepreneur's Age	41	31	10	11	7	88	0.28	4
Entrepreneur's Education	48	23	13	11	5	98	0.31	3
Family Support	35	23	12	14	16	47	0.15	6
Risk-taking Quotient	50	27	10	8	5	109	0.34	2
Innovation & Management Skills	52	30	10	5	3	123	0.38	1
Duration of Apprenticeship	40	30	10	8	12	78	0.24	5
Confidence of Entrepreneur	16	20	11	23	30	-31	-0.10	7

Business Characteristics								
Way of Doing Business	48	23	13	11	5	98	0.31	3
Availability of Resources	50	28	14	5	3	117	0.37	1
Customer Relation	41	31	10	11	7	88	0.28	4
Quality	50	27	10	8	5	109	0.34	2
ICT & Internet	35	23	12	14	16	47	0.15	6
External Environment	40	30	10	8	12	78	0.24	5

Source: Primary Data

For the research question  $Q_3$  we can clearly state that both our study areas viz., Kamrup-Metropolitan and Kamrup-Rural have different non-identical factors influencing the business success.

### Conclusion & Implication

The study envisaged to know the factors affecting business success for MSMEs in the developing region of Assam. It further attempted knowing if the factors influencing business success are identical across all the three categories of MSMEs; universal for both male and female MSME entrepreneurs and uniform in rural and urban area. With a qualitative orientation, the study is based on 320 registered MSMEs. The findings of the study recognises two sets of factors influencing the business success, first, vital factors (VFs) that are quintessential for business performance and success and the critical factors (CFs) which are desired for the survival and success of an enterprise. These VFs

and CFs tends to be different for all the three categories of enterprises, different for male and female entrepreneurs and even different in both of our study areas. For the micro enterprises the VFs are location, entrepreneur's starting age and quality while for small enterprises it is entrepreneur's innovation and management skills, availability of resources and enterprise's location and for medium it is enterprise's size, entrepreneur's risk-taking quotient and the way of doing business by an entrepreneur. Contrarily, for male entrepreneurs VFs is the size of their enterprise, their starting age and the quality of their product/service whereas for females it is location, their family support and customer relation. Kamrup-Metropolitan entrepreneurs opted enterprise size, entrepreneur's risk-taking quotient and external environment as their VFs as against the Kamrup-Rural entrepreneurs who preferred location, entrepreneur's innovation and management skills and

availability of resources. Based on our findings for policy implications we can suggest that since the factors influencing business success happens to be different so the support measures should also be customized and need based. All the three categories of enterprises should be treated differently as they are very different from one another. Moreover, thrust should be focused on micro enterprises as majority of individuals opting entrepreneurship ventures in micro enterprises due to dearth of resources. Small and medium entrepreneurs are comparatively affluent. For the availability of resources like cheap credit mainly as working capital the government can enable hassle-free soft loans at reasonable prices. Furthermore, mitigating the issue of locational disadvantage, dedicated industrial spaces like industrial estates is the need of the hour and most importantly in rural belts for a holistic and socialistic development. The rent of such industrial estates should be less compared to private owned business establishments to aid the micro and petty entrepreneurs. While promoting entrepreneurship it should be borne in mind that entrepreneurship should be

viewed as a career option and not as a last resort. It should be started early in life especially by those individuals who do not hail from entrepreneurial family backgrounds. Understanding the business world, the cut throat competition, establishing as a brand and garnering customers, demand investment of time. So entrepreneurship should be started early in life. Family support is crucial for any entrepreneur and it becomes more vital for a female entrepreneur. Family support affects the decision to start or continue a business. Working as an employee and working as an employer is a vast metamorphosis. The policies promoting female entrepreneurship should also look into bursting the orthodox myths related to working women and most importantly with female entrepreneurship.

Thus, to conclude we can sum up that micro, small and medium enterprises are made successful by the collective influence of a wide range of factors that can be branded as vital factors (VFs) and critical factors (CFs). But these VFs and CFs considerably differs across the different sized enterprises, male and female entrepreneurs and even differs in rural and urban area.

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